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ABSTRACT

In order to broaden its sources of funding, a child care resource and referral agency must follow several steps. First, the agency must identify its customers, who are typically children, parents, providers, employers, and the government. Next, the agency must define its functions, which may include advocacy; education and training; day care; public relations; resource and referral; and technical assistance. Finally, based on its lists of customers and functions, the agency must determine possible sources of funding. These may include government, foundations, employers, provider groups, and the agency itself, through the fees it charges for services. The establishment of a diversified budget has three benefits: (1) freedom, because no one funding source has a controlling interest in the agency; (2) flexibility, because an independent agency has the ability to respond quickly to the needs of the community; and (3) safety, because the loss of any one funding source will not destroy the integrity of the agency. There are some problems with mixed funding. First, it requires more work on the part of the agency executive, who must attend to multiple funding sources instead of a single source. Second, careful fund accounting is crucial when one deals with several funding sources. (BC)

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Mix and Match Funding - Diversified Budgets for Child Care Resource and Referral Agencies

Sally Ziegler

This workshop is predicated on the belief that it is a healthy and desirable goal to broaden the funding sources of a CCR&R as much as possible.

In order to be credible to its entire community, a CCR&R must avoid being seen as "beholden" to any one segment of the community. This is a delicate and demanding task which is complicated when an agency relies heavily on one source of income.

The first steps we will take are to identify our customers and to define our functions. For most of us, our customer lists are similar - children, parents, providers, employers and government. Those agencies that serve special sub-groups may want to list them separately, e.g. low-income parents, children with special needs. Once we have our list, determine each group's ability to pay for our services. If one group cannot pay any or all of the fee, it is important to identify another funding source, e.g. AFDC for low-income families.

Next we will define the functions of your agency. There is a hand-out showing a number of functions that an established CCR&R might perform. Some agencies are relatively young and may perform only a few but the sub-headings comprise the core services of a CCR&R. There are programs that have developed specialties - work with school-age child care or with homeless families. These usually can fit within one of the sub-headings. Having compiled your local list, it is time to assign dollar amounts to each category. This will begin to give you an idea of the gaps between customers' payments and your service cost.

With your customer list in one hand and the roster of services in the other, begin to identify possible sources of funding. It is crucial to study your customers to ascertain whether any part of the population is being neglected. For your credibility as the child care resource in your community, you need a wide base. CCR&R have died when they were perceived as all corporate or all low-income. Funding will be determined both by your customers and by the nature of services provided.

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The list below suggests major income sources:

- government at various levels - USDA, CCDBG, local municipalities
- frequently tied to means tests and individual families
- foundations and private charitable groups
- especially helpful for training or work with special population.
- employers for consulting with companies and for direct service to employers
- provider groups through membership dues to assure access to resources like library and training
- fees for services often tied to ability to pay but important in establishing value of our work

Issues for Implementation

The exercises above can help us to clarify our view of our agencies' shapes, both as to what we do and whom we serve. For those of us who are convinced that mixed funding is the best way to reflect the breadth of our roles, the next step is implementing the plan. The positive effects of a diversified budget can provide three great benefits: freedom, flexibility and safety.

Freedom is seen primarily in governance. A private agency can choose its own governing board and this body is at liberty to deliberate and formulate its policies by its own goals. Varied funding streams will guarantee that no one segment has a controlling financial interest. For many of us, advocacy is an essential role and we need to maintain the freedom from financial dependence so our voices can remain clear. An agency that receives 90% of its income from one employer can be very reluctant to advocate for that company's employees on issues like extended parental leave. Our choice of programs needs to be determined by our philosophy, not by the latest RFP on by what the Youth Bureau decides is important for 10-year-olds.

Flexibility is an attribute that is too often missing from both government and large employers. An independent agency has the capacity to respond to community needs quickly - our parent calls will alert us to issues like too many Superintendents' Days in the schools. This information allows us to work with school-age child care programs to schedule responsively. We are able to make the best use of our staff so that our personnel can share their time among projects without worrying about rigid guidelines from one major funder. This enables us to be better positioned for change and, hopefully, growth.

The safety element of diversified funding has been demonstrated clearly in the recent past. A spend-down formula in state contracts put at least two New York State CCR&Rs out of business during 1991. These were new agencies whose only income was from the state so they had no fall-back position. On the other hand, a multiply-funded CCR&R, also in New York, suffered a loss when a county function performed by the private agency was taken over by the state. The result was some lay-offs, but the integrity of the agency was unharmed because of the flow of county funds. United Way, corporate contracts, etc. An advantage also is the ability to match funding sources and to be able to leverage funds for funders. Lastly, multiple funding streams assure a more secure cash flow. It's a dreadful feeling if your ability to meet Friday's payroll depends on the receipt of a county check - and the county's computers are down!

In spite of all the advantages listed above for a mixed budget, there are some difficulties. The main one is the attention required by the executive. If you have five funding sources, you have five sources of potential headaches. It is necessary to keep current on these sources - read the business pages to know if your employer clients are laying off or thriving, keep your government contacts up to date and be attentive to public budget issues. You will probably find that diverse funding streams represent diverse fiscal years. Sometimes you can get an agreement from a funder to accept your figures based on your own fiscal year but it's probably better to take advantage of the powers of the small computer in number-crunching. It is important to keep your various budgets as similar as possible. Agencies have been embarrassed when an individual sits on the boards of two foundations and has a chance to look at two sharply different representations of your CCR&R. Also the smartest of us will forget which justification goes with which budget version.

Careful fund accounting is essential for all good management but its role is even more crucial when dealing with a variety of funding streams. Again small computers can make this task much simpler. Ongoing reports to your Boards are a major tool in ongoing accountability. We need other eyes to scrutinize our management and to provide proper checks and balances.

So mixed funding for CCR&R serves a number of purposes - it can help assure that we serve a broad clientele; it can provide us with freedom, flexibility and safety; and it offers us as a model of the public-private partnerships we need to support the child care community.

Mix and Match Funding

Freedom	***Flexibility***	***Safety***
governance	response to needs	mixed pots of $$
advocacy	best use of staff	ability to match sources
programs	change & growth	more secure cash flow

Activities of the Child Care Council

Advocacy:

* *Provide information on current legislation, regulatory changes and policy matters*
* *Develop sample letters to legislators as needed*
* *Coordinate trips to Albany*
* *Develop local contacts between legislators and child care programs*

Education and Training:

* *Review changing needs in community to insure quality training available to all forms of care*
* *Act as catalyst to bring educational institutions together to meet identified needs*
* *Develop pilot programs to test viability with goal of moving them on to colleges*
* *Act as a resource to centers for their specific staff development needs*
* *Identify new training opportunities for all forms of child care*
* *Interact with national training programs*
* *Assist programs and providers to reach for national accreditation standards*
* *Work at systems level to rationalize broad career development activities*
* *Act as clearing house for training information*
* *Present Consortium Day*
* *Identify and sponsor other educational seminars*
* *Stay current on ongoing research development*

Family Day Care:

* *Recruit providers*
* *Visit homes of prospective affiliated providers*
* *Orient prospective providers to registration process*
* *Assist providers in preparation of registration and renewal packets*
* *Provide training*
* *Develop evening workshops*
* *Serve as resource to community groups re: family day care*
* *Provide special services to target populations, e.g. homeless*
* *Publish handbook*

Public Relations:

* *Provide speakers for community groups*
* *Serve as spokespeople with media*
* *Publish newsletters*
* *Encourage all providers and assist them in developing public images*
* *Represent Council at state and national groups*

Resource and Referral:

* *Maintain and expand comprehensive data base of all forms of early childhood programs*
* *Serve parents with educational information as well as referrals*
* *Provide brochures on How to Choose all forms of care*
* *Act as liaisons with providers re: parent issues*
* *Receive and process complaints*
* *Maintain knowledge level on subsidies, special programs, regulatory changes*
* *Represent Council at community info fairs, etc.*
* *Provide opportunities for on-site visibility at workplaces*
* *Contract with employers for enhanced R & R service*

Technical Assistance:

* *Work with existing programs on such issues as Board training, personnel matters and expansion*
* *Assist groups and individuals interested in starting new programs to reach licensing/registration standards*
* *Publish updated center start-up brochure*
* *Consult with operators of new centers for start-up*
* *Work with municipalities on day care issues*
* *Develop relationships with outside groups that affect child care, e.g. banks, architects*
* *Work with schools in their relationships with child care*
* *Consult with employers on child care issues, e.g. on-site care, transportation, etc.*
* *Support three directors' groups with staff and site*

Title XX and US Department of Agriculture:

* *Recruit and train providers to enroll in programs*
* *Monitor on-going participation*
* *Provide necessary technical assistance*
* *Collect and process required paperwork*
* *Process claims*
* *Work with DSS and USDA to mediate for providers and parents*
* *Distribute USDA reimbursements*
* *Maintain updated knowledge on program requirements*